

## INTEREST RATE

As required by the Ohio Revised Code 718, effective 1/1/16 for tax years 2016 and forward, the City of Springfield is announcing the interest rate for tax year 2016 tax liabilities.

Per ORC, 718.27 operative 1/1/16:

(C)(1) Interest shall be imposed at the rate described in division (A) of this section, per annum, on all **unpaid income tax, unpaid estimated income tax, and unpaid withholding tax.**

(A)(4) "Federal short-term rate" means the rate of the average market yield on outstanding marketable obligations of the United States with remaining periods to maturity of three years or less, as determined under section 1274 of the Internal Revenue Code, for July of the current year.

(A)(5) "Interest rate as described in division (A) of this section" means the federal short-term rate, rounded to the nearest whole number per cent, plus five per cent. The rate shall apply for the calendar year next following the July of the year in which the federal short-term rate is determined in accordance with division (A)(4) of this section.

The Federal short-term rate is 0.48%. That, rounded to the nearest whole number %, plus 5%, results in a tax rate of 5% per annum.

**The interest rate of .42% per month (or part thereof) will be in effect for tax year 2016.**

For tax years 2015 and prior, the prior interest rate of 1% per month remains in effect.